

## News Release

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### **Governor's Council of Economic Advisors Releases 2005 Economic Report to the Governor**

The Governor's Council of Economic Advisors will formally release the *2005 Economic Report to the Governor* at the annual meeting of the Wasatch Front Economic Forum on Jan. 13, 2005 at 9 a.m. An overview of the report will be given by Robert Spendlove at 9:05 a.m., and Governor Huntsman will accept the report and make comments at 9:35 a.m.

Published annually, the *Economic Report to the Governor* is the principal source for data, research, and analysis about the Utah economy. It includes a national and state economic outlook, an analysis of economic activity based on the standard indicators, and a more detailed review of industries and issues of particular interest.

Utah's economy improved significantly in 2004. The slowdown that began with the 2001 recession has ended, and growth is now accelerating. Continuing the trend from the 1990s, Utah outperformed the nation in 2004, with job growth of 2.5%, compared to just 1.0% nationally. Growth in 2004 is a welcome contrast to 2003, when Utah's economy was flat.

During 2004, Utah's unemployment rate fell to 5.3% from 5.6% in 2003. With employment growing at a good pace, the unemployment rate is expected to fall to 4.7% in 2005. Job growth in Utah reached 2.5%, a positive change from the 0.0% increase in 2003. Each of Utah's major employment sectors grew during 2004, with growth rates ranging from 0.1% in financial activity to 5.6% in construction. Low interest rates and a growing economy powered construction value to an all-time high in 2004 of \$4.85 billion, up 6.4% from the 2003 record of \$4.56 billion.

Utah's average annual nonagricultural pay was \$31,415 during 2004, up 2.6% from 2003. This was an improvement over the 1.7% increase in 2003. Defense spending in Utah during 2003 was also up, totaling \$3.08 billion, up 24.7% from 2002.

Utah's population grew 2.3% during 2004, more than twice the national rate. With a growing economy, net migration was over 18,000. Still, natural increase, or the difference between births and deaths, accounted for almost 70% of Utah's population growth. During 2004, for the first time ever, the number of births in Utah exceeded 50,000.

The outlook calls for continued growth during 2005. Employment growth of 2.4% will nearly match the 2004 rate of 2.5%. Population growth will also be at 2.4%, a slight increase over 2004's 2.3%, due to stronger net in-migration. Net in-migration is expected to be up since the Utah economy outperformed the national economy in 2004. Construction job growth will remain strong at 4.8% with total value on track to meet or exceed the 2004 record. Higher interest rates and high energy prices may dampen economic growth during 2005.

The report will be available on the web at [www.governor.utah.gov/dea](http://www.governor.utah.gov/dea).